



**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

**[EPA-R04-OAR-2013-0272; FRL- 9816-1]**

**Approval and Promulgation of Implementation Plans; Kentucky; Approval of Revisions to the Jefferson County Portion of the Kentucky SIP; Emissions During Startups, Shutdowns, and Malfunctions**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing to approve part of a revision to the Kentucky State Implementation Plan (SIP), submitted by the Commonwealth of Kentucky, through the Kentucky Division for Air Quality (KDAQ), on March 22, 2011. The proposed revision was submitted by KDAQ on behalf of the Louisville Metro Air Pollution Control District (District), which has jurisdiction over Jefferson County, Kentucky. The portion of the revision that EPA is proposing for approval modifies the Regulation entitled, “Emissions During Startups, Shutdowns, Malfunctions and Emergencies” in the Jefferson County portion of the Kentucky SIP. EPA is proposing approval of this portion of the March 22, 2011, SIP revision because the Agency has determined that it is in accordance with the requirements for SIP provisions under the Clean Air Act (CAA or Act). EPA will act on the other portions of KDAQ’s March 22, 2011, submittal, which are severable and unrelated, in a separate action.

**DATES:** Comments must be received on or before [insert the date 30 days after date of publication in FEDERAL REGISTER].

**ADDRESSES:** Submit your comments, identified by Docket ID No. EPA-R04-OAR-2013-0272, by one of the following methods:

1. [www.regulations.gov](http://www.regulations.gov): Follow the on-line instructions for submitting comments.
2. Email: [R4-RDS@epa.gov](mailto:R4-RDS@epa.gov).
3. Fax: (404) 562-9019.
4. Mail: EPA-R04-OAR-2013-0272, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303–8960.
5. Hand Delivery or Courier: Lynorae Benjamin, Chief, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303–8960. Such deliveries are only accepted during the Regional Office normal hours of operation, and special arrangements should be made for deliveries of boxed information. The Regional Office official hours of business are Monday through Friday, 8:30 to 4:30, excluding federal holidays.

*Instructions:* Direct your comments to Docket ID No. “EPA-R04-OAR-2013-0272.” EPA’s policy is that all comments received will be included in the public docket without change and may be made available online at [www.regulations.gov](http://www.regulations.gov), including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through [www.regulations.gov](http://www.regulations.gov) or e-mail. The [www.regulations.gov](http://www.regulations.gov) website is an “anonymous access” system, which means EPA

will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through [www.regulations.gov](http://www.regulations.gov), your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional information about EPA's public docket visit the EPA Docket Center homepage at <http://www.epa.gov/epahome/dockets.htm>.

*Docket:* All documents in the electronic docket are listed in the [www.regulations.gov](http://www.regulations.gov) index. Although listed in the index, some information is not publicly available, i.e., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically in [www.regulations.gov](http://www.regulations.gov) or in hard copy at the Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303-8960. EPA requests that, if at all possible, you contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to schedule your inspection. The Regional Office's official hours of business are Monday through Friday, 8:30 to 4:30, excluding federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Joel Huey, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303-8960. Mr. Huey may be reached by phone at (404) 562-9104 or via electronic mail at [huey.joel@epa.gov](mailto:huey.joel@epa.gov).

## **SUPPLEMENTARY INFORMATION:**

### **Table of Contents**

- I. What Action is EPA Proposing?**
- II. What is the Background of the Jefferson County Rule on Startups, Shutdowns, Malfunctions (SSM) and Emergencies?**
- III. What is EPA’s Evaluation of the Revisions to the Jefferson County SSM Rule?**
- IV. Why is EPA Proposing This Action and What is the Effect of this Proposed Action?**
- V. Proposed Action**
- VI. Statutory and Executive Order Reviews**

### **I. What Action Is EPA Proposing?**

EPA is proposing to approve a revision to the Jefferson County portion of the Kentucky SIP to incorporate revisions to Jefferson County Regulation 1.07, “Emissions During Startups, Shutdowns, Malfunctions and Emergencies” (referred to hereafter as the “Jefferson County SSM rule”).<sup>1</sup> The revision modifies all seven sections of the existing version of Regulation 1.07

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<sup>1</sup> In 2003, the City of Louisville and Jefferson County governments merged and the “Jefferson County Air Pollution Control District” was renamed the “Louisville Metro Air Pollution Control District.” However, each of the regulations in the Jefferson County portion of the Kentucky SIP still has the subheading “Air Pollution Control District of Jefferson County.” Thus, to be consistent with the terminology used in the SIP, we refer throughout this

currently in the EPA-approved SIP for Jefferson County. EPA believes that the changes to the Jefferson County SSM rule are consistent with CAA requirements that apply to excess emissions during startup, shutdown and malfunction (SSM) events. In addition, EPA believes that these changes will correct existing concerns about the prior version of the Jefferson County SSM rule in the SIP for this Area, as explained below. Please refer to the docket for this rulemaking for the complete text of the adopted provisions.

## **II. What is the Background of the Jefferson County Rule on Startups, Shutdowns, Malfunctions (SSM) and Emergencies?**

The regulation of emissions from stationary sources is a part of the Louisville Metro Air Pollution Control District's program for attaining and maintaining compliance with the national ambient air quality standards (NAAQS) and for meeting other CAA requirements. The current EPA-approved SIP for the Jefferson County area incorporates a prior version of the Jefferson County SSM rule that includes certain provisions applicable to excess emissions from such sources during startup, shutdown, malfunction, and emergency events. EPA published approval of the original version of this rule on January 25, 1980. *See* 45 FR 6092. On February 11, 1999, Kentucky submitted multiple changes to the Jefferson County portion of the Kentucky SIP, which EPA approved on October 23, 2001. *See* 66 FR 53658. Among other elements, Kentucky's February 11, 1999, submittal included several changes to the Jefferson County SSM rule. The submittal added to this rule a definition of "Emergency" in Section 1, *Definitions*, and a new Section 5, *Emergencies*, which contains an affirmative defense provision for emergencies that is very similar to the affirmative defense provision of the title V operating permit

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notice to regulations contained in Jefferson County portion of the Kentucky SIP as the "Jefferson County" regulations.

regulations. *See* 40 CFR 70.7(g). Additionally, the February 11, 1999, submittal modified Section 2, *Excess Emissions*, of the rule such that excess emissions would not be deemed in violation of otherwise applicable emission limits in the SIP if, based upon a showing by the owner or operator of the source and an affirmative determination by the District, certain requirements regarding startups and shutdowns, malfunctions, and emergencies are satisfied. Those requirements, as revised by the February 11, 1999, submittal, are specified in the following sections of the Jefferson County SSM rule: Section 3, *Startup or Shutdown*; Section 4, *Malfunctions*; Section 5, *Emergencies*; Section 6, *Initial Notification and Reporting Requirements for Malfunctions and Emergencies*; and Section 7, *Extended Malfunctions and Emergencies*.

Acknowledging deficiencies in the Jefferson County SSM rule, the District proactively adopted changes on June 21, 2005. The District adopted these changes with the intent of correcting inconsistencies between its rule and the CAA and EPA guidance,<sup>2</sup> regarding SIP provisions that apply to the treatment of excess emissions that may occur during source startup, shutdown, maintenance, and malfunction events. These changes were included in the March 22, 2011, SIP revision provided to EPA by KDAQ. The most salient features of these latest changes to Jefferson County Regulation 1.07 include: (1) changing the name of the regulation from “Emissions During Startups, Shutdowns, Malfunctions and Emergencies” to “Excess Emissions During Startups, Shutdowns, and Upset Conditions;” (2) clarifying that excess emissions from a process or process equipment due to startup, shutdown or upset condition shall be deemed in

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<sup>2</sup> The District’s Regulatory Impact Analysis for the June 21, 2005, changes to the SSM rule references the following memoranda as part of the basis for the revisions to its SSM rule: “Policy on Excess Emissions During Startup, Shutdown, Maintenance, and Malfunctions,” Kathleen M. Bennett, September 28, 1982; “Policy on Excess Emissions During Startup, Shutdown, Maintenance, and Malfunctions,” Kathleen M. Bennett, February 15, 1983; and “State Implementation Plans: Policy Regarding Excess Emissions During Malfunctions, Startup, and Shutdown,” Steven A. Herman, September 20, 1999.

violation of the applicable emission standards; (3) removing the authority of the District to grant discretionary exemptions from compliance with SIP emission standards during SSM events; (4) augmenting the source excess emission reporting requirements to assist the District in evaluating whether ambient standards and goals have been exceeded and whether enforcement actions are needed to protect public health and welfare; and (5) removing the provisions that created exemptions for excess emissions during emergencies based upon factors comparable to an affirmative defense.

### **III. What is EPA's Evaluation of the Revisions to the Jefferson County SSM Rule?**

EPA has evaluated the revised version of the Jefferson County SSM rule submitted as part of the March 22, 2011, SIP submission from KDAQ on behalf of the District. Based upon this evaluation, EPA believes that the District has made several significant changes that make the Jefferson County SSM rule consistent with CAA requirements and with EPA guidance on SIP provisions relevant to the treatment of excess emissions during SSM events.

First, the District has explicitly provided that excess emissions from sources due to startup, shutdown, or upset (i.e., malfunction) events are not exempt from compliance with applicable emission limits. Revised Section 2.2 of the Jefferson County SSM rule clearly provides that excess emissions during such events “shall be deemed in violation of the applicable emission standard.” This provision is consistent with EPA's longstanding interpretation of the CAA to prohibit SIP provisions that include any exemptions for excess emissions during SSM events and requiring that such emissions be treated as violations.<sup>3</sup>

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<sup>3</sup> See, e.g., “State Implementation Plans (SIPs): Policy Regarding Excess Emissions During Malfunctions, Startup, and Shutdown,” sent by Steven A. Herman, Assistant Administrator for Enforcement and Compliance Assurance, and Robert Perciasepe, Assistant Administrator for Air and Radiation, to the Regional Administrators, Regions I – X, on Sept. 20, 1999.

Second, the District has substantially revised the Jefferson County SSM rule in order to alter provisions that previously had the effect of providing an exemption for emissions during SSM events through the exercise of director's discretion by the District. The prior version of the rule contained factors that the District could consider in the decision whether or not to grant such a discretionary exemption. Revised Section 2.3 removes the authority of the District to grant discretionary exemptions from compliance with SIP emission standards and in its place provides an "enforcement discretion" provision that provides specific factors for state personnel in their own exercise of enforcement discretion for violations related to startup, shutdown, and upset events. These factors are intended to apply only to the District and do not affect EPA enforcement or citizen enforcement – both of which are separately authorized by the CAA.<sup>4</sup> These factors include consideration of the duration and frequency of the emissions; operation/maintenance practices; whether there is a recurring pattern; certain public health impacts associated with the excess emissions, among other factors. Notably, these factors are also not intended to, and do not, operate as an affirmative defense.<sup>5</sup> This revised provision is consistent with EPA's longstanding interpretation of the CAA to permit SIP provisions that

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<sup>4</sup> On May 9, 2013, Jefferson County provided EPA with a letter clarifying and confirming that the factors included in Regulation 1.07, Section 2.3, are intended to be discretionary factors that Jefferson County *may* consider as part of its own enforcement discretion and that the rule does not intend to or purport to apply to any other agency or the public. This letter is a part of the basis for EPA's action upon the SIP submission and part of the record for the action to be appropriately reflected in the CFR.

<sup>5</sup> EPA notes that revised Section 3.4 of the Jefferson County SSM rule provides that either startup or shutdown that is necessitated by an upset shall be considered part of the upset. Provision 2.3, which sets forth enforcement discretion factors, refers to Section 3.6 and 4.4 and thus the Jefferson County SSM rule treats startups following a malfunction event in the same manner as it treats all excess emissions for purposes of enforcement discretion. In the context of an enforcement discretion provision, as opposed to an affirmative defense provision for malfunctions, the Jefferson County SSM rule is consistent with the CAA and EPA's policy and guidance.



address the exercise of enforcement discretion by state personnel, so long as they do not impinge upon the enforcement discretion of EPA or citizens.<sup>6</sup>

Third, the District has also substantially revised the Jefferson County SSM rule to remove provisions that previously included specific treatment for excess emissions during emergencies. The prior version of the rule included provisions that together appeared to provide an exemption for excess emissions that occurred during emergencies, if the source could meet certain factors that were structured as an affirmative defense. The District has removed the definition of “emergency” that previously appeared in Section 1.1 and removed the provisions applicable to emergencies in Section 5. The prior version of the Jefferson County SSM rule could have operated to exempt excess emissions during such events, and to provide a bar not just to monetary penalties, but also a bar to injunctive relief for the resulting violations of SIP emission standards. Moreover, the factors for the affirmative defense were not consistent with EPA’s guidance for affirmative defense provisions for malfunctions.<sup>7</sup> Removal of these provisions from the Jefferson County SSM rule is thus consistent with EPA’s longstanding guidance concerning SIP provisions, both with respect to exemptions for excess emissions and with respect to affirmative defense provisions that would be consistent with CAA requirements.

Fourth, the District has revised the provisions of the Jefferson County SSM rule to update and expand the notification requirements for sources in the event of excess emissions related to startup, shutdown, and upset conditions. These provisions relate to the timing and nature of

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<sup>6</sup> See “Policy on Excess Emissions During Startup, Shutdown, Maintenance, and Malfunctions,” sent by Kathleen M. Bennett, Assistant Administrator for Air, Noise, and Radiation, to the Regional Administrators, Regions I – X on Feb. 15, 1983 (indicating the CAA would allow appropriately drawn enforcement discretion provisions in SIPs).

<sup>7</sup> See “State Implementation Plans (SIPs): Policy Regarding Excess Emissions During Malfunctions, Startup, and Shutdown,” sent by Steven A. Herman, Assistant Administrator for Enforcement and Compliance Assurance, and Robert Perciasepe, Assistant Administrator for Air and Radiation, to the Regional Administrators, Regions I – X, on Sept. 20, 1999 (indicating that the CAA would allow appropriately drawn affirmative defense provisions in SIPs).

notification that the source is required make to the District and may be germane to the District's exercise of enforcement discretion under revised Section 2.3. EPA believes that these updated notification provisions will likely enhance compliance and enforcement efforts within the Jefferson County area and that they otherwise are consistent with CAA requirements because they do not purport to affect the exercise of enforcement discretion by EPA or other parties.

Finally, the District substantially revised the Jefferson County SSM rule with respect to "extended" malfunctions and emergencies. Section 9 of the prior version of the rule appeared to allow sources to continue to operate for an extended period of time in the event of a malfunction or emergency, without legal consequence, so long as the source obtained prior authorization from the District. Revised Section 5 of the rule now makes unequivocally clear that, even if the District authorizes continued operation during such an event following a specified process, the excess emissions that occur during that extended period of time remain violations of the applicable SIP emission standards. The revised provision states that the authorization by the District "shall neither constitute an affirmative defense for violations caused by excess emissions nor preempt the rights of the EPA or any person to take action under federal, state, or local law." EPA believes Revised Section 5 in conjunction with revised Section 2.2 thus make clear that any excess emissions during such periods constitute violations of the applicable SIP emission standards and that the District, EPA, or others using the citizen suit provision of the CAA may still pursue appropriate enforcement action against the source. The revised provision is thus consistent with EPA's longstanding interpretation of the CAA to prohibit SIP provisions that include exemptions for excess emissions during SSM events and requiring that such emissions be treated as violations.

EPA believes that the revisions to the Jefferson County SSM rule are consistent with the requirements of both section 110(l) and section 193. Under section 110(l), EPA is prohibited from approving any SIP revision that would interfere with any applicable requirement concerning attainment and reasonable further progress or any other applicable requirements of the CAA. In this action, EPA believes that the revisions do not interfere with such requirements and in fact strengthen the existing SIP by removing or revising various provisions related to excess emissions during SSM events that included automatic exemptions, director discretion exemptions, affirmative defense provisions, and other provisions that were inconsistent with CAA requirements and would have interfered with effective enforcement of the SIP. Because all of these changes are improvements to the prior version of the Jefferson County SSM rule, and because they are themselves consistent with the requirements of the CAA as interpreted in EPA guidance for SIP provisions, EPA is proposing to find that the revision is consistent with the requirements of section 110(l).

Similarly, CAA section 193 prohibits EPA from approving SIP revisions to certain SIP control requirements in effect prior to November 15, 1990, unless the modification insures equivalent or greater emission reductions. The revision at issue in this action does pertain to control requirements that, at least in part, predate November 15, 1990, and thus compliance with section 193 is required. Because all of the revisions are improvements to the prior version of the Jefferson County SSM rule, and because the revised provisions are themselves consistent with the requirements of the CAA as interpreted in EPA guidance for SIP provisions, EPA is proposing that the revision is also consistent with the requirements of section 193. As a result of the improved effectiveness of the enforcement program associated with emissions during SSM, and the explicit determination that such emissions are violations of applicable emission limits,

the revision is expected to produce equivalent or greater emission reductions and is thus consistent with CAA section 193.

Based upon the foregoing analysis, EPA is proposing to approve the changes to the Jefferson County SSM rule contained in the March 22, 2011, SIP submission from KDAQ on behalf of the District. EPA has determined that the specific changes to the rule are consistent with CAA requirements for SIP provisions that address excess emissions during SSM events, and with EPA guidance concerning such provisions. EPA requests comment on this proposal, and in particular requests comments on its view that the revisions to the Jefferson County SSM rule are consistent with CAA requirements for SIP provisions.

EPA notes that in a separate rulemaking action, published on February 22, 2013, EPA identified several deficiencies associated with the Jefferson County SSM rule including: (1) the rule did not consider all excess emissions above SIP emission limits to be “violations;” (2) the rule included insufficiently bounded director’s discretion provisions regarding whether an excess emissions event constituted a violation and thus creating impermissible discretionary exemptions from SIP emission limits; (3) the rule provided an impermissible exemption for excess emissions that occur during “emergencies;” and (4) the rule contained affirmative defense provisions that are not consistent with CAA requirements. *See* 78 FR 12460, 12507-12508. Today’s action proposing approval of Jefferson County’s revised SSM rule is separate from the February 22, 2013, action. EPA’s action in this proposal does not reopen the public comment period associated with the separate February 22, 2013, action; nor does today’s action purport to revise or amend that separate proposed action. EPA will be taking a separate final action on the February 22, 2013, proposed rulemaking. Today’s action only proposes to approve the revised

Jefferson County SSM Rule into the SIP as consistent with the CAA and CAA policy and guidance, for the reasons explained above.

#### **IV. Why is EPA Proposing This Action and What is the Effect of this Proposed Action?**

The purpose of today's action is to propose approval of changes to Regulation 1.07 in the Jefferson County portion of the Kentucky SIP. The District determined that the current SIP-approved rule required changes in light of EPA policy memoranda regarding excess emissions from stationary sources, and voluntarily provided a revision to KDAQ who submitted the revised rule to EPA for approval in 2011. The changes to Regulation 1.07, which are being proposed for inclusion into the SIP today, revise the Jefferson County SSM rule to make it consistent with the CAA.

If finalized, today's action would approve part of the revision to the Jefferson County portion of the Kentucky SIP submitted by KDAQ, on behalf of the District, on March 22, 2011. Approval of this revision would change the name of the regulation to "Excess Emissions During Startups, Shutdowns, and Upset Conditions;" clarify that excess emissions due to startup, shutdown or upset condition shall be deemed in violation of the applicable emission standards; augment the source excess emission reporting requirements to improve air quality management; remove the authority of the District to grant discretionary exemptions from compliance with SIP emission standards during SSM events; remove the affirmative defense provision for emergencies; and explicitly state that the District's decision not to exercise its own enforcement discretion would not preempt enforcement by EPA or other parties. Today's action does not make any changes or propose any findings related to EPA's completely separate rulemaking

action regarding the current SIP-approved version of the Jefferson County SSM rule proposed on February 22, 2013 (78 FR 12460).

## **V. Proposed Action**

EPA is proposing to approve the portion of Kentucky’s March 22, 2011, SIP revision pertaining to Jefferson County Regulation 1.07, “Emissions During Startups, Shutdowns, Malfunctions and Emergencies.” This revision renames the regulation “Excess Emissions During Startups, Shutdowns, and Upset Conditions” and makes numerous changes to the Jefferson County SSM rule to bring it into compliance with the CAA and EPA guidance regarding SIP provisions for the correct treatment of excess emissions from sources during SSM events.

## **VI. Statutory and Executive Order Reviews**

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA’s role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this proposed action merely approves state law as meeting federal requirements and does not impose additional requirements beyond those imposed by Commonwealth law. For that reason, this proposed action:

- is not a “significant regulatory action” subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);

- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because the SIP is not approved to apply in Indian country located in the Commonwealth, and EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law.

## **List of Subjects in 40 CFR Part 52**

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: May 9, 2013.

A. Stanley Meiburg,  
Acting Regional Administrator,  
Region 4.

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